

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

BERKSHIRE GAS COMPANY

D.T.E. 04-47

**ATTORNEY GENERAL'S THIRD SET OF
DOCUMENT AND INFORMATION REQUESTS (REDACTED)**

AG-3-1 Refer to the Company's Audit Report and response in DTE 1-25(b) (Supp).
Please produce copies of the documents referenced in the Audit Report including,
but not limited to, the <<**Confidential**

>>**Confidential.**

AG-3-2 Refer to the Company's Audit Report and response in DTE 1-25(b) (Supp).
Please identify by name, company, title and job description the members of the
Alliance Team and the Allocation Team. Please also identify by name, company,
title and job description the members of the Alliance who reviewed the Audit
Report prior to its release. Please provide the curriculum vitae for Tom Deering,
Ken Chrostowski, and all other members of the Audit Team.

AG-3-3 Refer to the Company's Audit Report and response in DTE 1-25(b) (Supp).
Please identify the personnel by name, company, title and job description with
whom the Audit Team conferred for explanations of how savings dollars were
calculated, categorized and allocated.

AG-3-4 Refer to the Company's Audit Report and response in DTE 1-25(b) (Supp).
Please explain how the Company's selection of the months for its audit and
selected transactions audited represents a statistically valid sample of all
optimization transactions completed during the contract terms. Also, explain how
the statistical validation relates to Berkshire's transactions under its optimization
agreement.

AG-3-5 Refer to the Company's Audit Report and response in DTE 1-25(b) (Supp).

Please explain how the Allocation Team updated the BP Alliance Validation and Allocations Working Procedures. Please provide a narrative description and a marked-up copy of the Working Procedures that reflects those changes.

- AG-3-6 Refer to the Company's Audit Report and response in DTE 1-25(b) (Supp). Please list the documents that the Audit Team requested but did not receive in connection with its audit review.
- AG-3-7 Refer to the Company's Audit Report and response in DTE 1-25(b) (Supp)., page 4. Please provide the schedule of the monthly reviews of savings that supports the Audit Team's findings that "<<Confidential
Confidential>>."
- AG-3-8 Refer to the Company's Audit Report and response in DTE 1-25(b) (Supp)., page 4. Please describe the Allocation Team's new process to "<<Confidential
Confidential>>." Please provide a sample of that new documentation.
- AG-3-9 Please explain how the Energy East internal auditing organization determined which specific transactions that it audited. Include all internal and external guidelines or procedures that governed or supported the design of the BP optimization agreement audit.
- AG-3-10 Please explain how the Energy East Internal Auditors assured that BP was in full compliance with the Energy East Derivatives Policy. As part of this response describe, in detail, what specific documents and procedures the auditors reviewed.
- AG-3-11 Please provide all materials reviewed by the audit team that support a finding that derivative transactions entered into by BP under the terms of the optimization agreement were in compliance with the Energy East Derivative Policy.
- AG-3-12 Please explain how (procedures and data) the auditors reviewed the total optimization fee/share paid to BP and validated the accuracy of the amount paid. Also, explain how the auditors determined the computation of BP's share complied with the terms of Berkshire's optimization agreement. State the Audit Team's findings regarding the calculation and allocation of the BP share to Berkshire. See Tr. Vol. I, pp 25-27.
- AG-3-13 During the course of the audit, did the auditors discover any errors, omissions or problems in addition to the monthly review problems discussed in the audit report? If yes, please explain each problem, describe the transactions involved, the dollar amount of the error, and how and when each problem was corrected.

October 4, 2004